

# The Orissa Gazette



EXTRAORDINARY  
PUBLISHED BY AUTHORITY

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No. 1857, CUTTACK, FRIDAY, OCTOBER 5, 2007/ ASWINA 13, 1929

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## FINANCE DEPARTMENT

### NOTIFICATION

The 4th October 2007

**S.R.O.No.540/2007**— In exercise of the powers conferred by sub-sections (2) and (3) of section 53 read with section 94 of the Orissa value Added Tax Act, 2004 (Orissa Act 4 of 2005) the State Government do hereby make the following rules, namely:—

**1. Short title and Commencement :—** (1) These rules may be called the Orissa Consumer Welfare Fund Rules, 2007.

(2) They shall come into force on the date of their publication in the *Orissa Gazettee*.

**2. Definition:—** (1) In these rules, unless the context otherwise requires,—

- (a) “Act” means the Consumer Protection Act, 1986 (68 of 1986)
- (b) “Consumer” means “Consumer” as defined under the Act, and includes consumer of goods on which duty has been paid;
- (c) “Consumer Organisation” means any agency/ organization engaged in Consumer Welfare activities and registered under the Companies Act, 1956 (1 of 1956) or the Societies Registration Act, 1860 or under any other law for the time being in force including village / Mandal / Samiti / Samiti level Co-operative of Consumer especially Women, SC/ST or State/Central Govt. run organization/Societies and shall also include Government Agencies carrying out consumer activities;
- (d) “Fund” means the Orissa Consumer Welfare Fund established under section 53 of the Orissa value added Tax Act, 2004;
- (e) “Government” means the Government of Orissa;
- (f) “Grant” means allocations sanctioned under these rules;
- (g) “Project” means any plan or scheme submitted to the Fund by any agency for implementation of the activities relating to the objectives of the Fund;

(h) "State Consumer Protection Council" means the Council constituted by the Government under section 7 of the Act.

(2) Words and expressions used in these rules but not defined shall have the same meaning as respectively assigned to them in the Act.

**3. Corpus of the Fund:—** The corpus of the fund shall consist of the following namely:—

- (1) Any amount to be credited by the Government pursuant to sub-section (4) of section 52, sub-section (2) of section 53 of the Orissa Value Added Tax Act, 2004.
- (2) The financial assistance granted or released by Central Government and State Government for Consumer Protection and related purposes to the fund including the funds, given for specific purposes as one time grant;
- (3) The interest or dividend on investments;
- (4) Any other receipts or grants from any source, whatsoever, specifically meant for the purpose of undertaking activities relating to the objectives of the fund; and
- (5) Application fees and for any of the other fees received by the Consumer Courts as may be prescribed by the Government.

**4. Objectives of the Fund:—**(i) The fund shall be utilized for protection of consumers from the hazards to their health and safety from goods and services;

(ii) Promotion and protection of rights and economic interests of the consumers;

(iii) Promotion of consumer education and awareness through print, audio, visual and electronic media or such other media as would be decided by the Government from time to time;

(iv) Promotion of effective consumer redressal system and strengthening of institutions for consumer grievance/ dispute for redressal including Consumer Courts; and

(v) To support and encourage individual and organizational efforts to protect, consumer interest, develop consumer education and organize consumer movement.

**5. Organisations eligible for grant:—**(1) The following organizations and institutions shall be eligible for grant from the fund, provided they are voluntarily engaged in protection of consumer interest and provide guidance and necessary support for consumer activities/ movements,—

- (i) Consumer Organisation.
- (ii) Registered Consumer Co-operative Society.
- (iii) Registered Public Trusts.
- (iv) Any Registered Research Organisation.
- (v) University in the State of Orissa established under an Act of the State Legislature for promotion, research and advancement of education for the welfare of the Consumers.

(2) Any such organization or institution seeking grant from the fund shall have to fulfill the following conditions, namely,—

- (i) It must be working for promotion and protection of consumer interests.
- (ii) It must have a legal status permitting entrustment of Public funds.
- (iii) It must be non-political, non-denominational and under a non-proprietary management.
- (iv) It must have well defined objectives for promotion and protection of the interests of the consumers.
- (v) It must not run for profit to any individual or group of individuals but will be serving the general public without any discrimination of caste, creed, colour or religion.
- (vi) It must preferably have a specific area of operation to assess the impact of the projects it wants to implement.
- (vii) It must have completed at least three years of working after its initial registration under the relevant Acts and shall have a commendable track record of consumer protection and guidance activities.
- (viii) It must be maintaining following audited statements of accounts : —
  - (a) Receipt and Payments;
  - (b) Income and Expenditure; and
  - (c) Balance Sheet.
- (ix) It shall not have otherwise been disqualified by the Central/ State Government for this purpose.
- (x) It must not have received similar grant from any other official source, partially or wholly, for the same purpose and for the same period.
- (xi) It must have raised or be in a position to raise an amount at least twenty percentage of the grants sanctioned from the fund through other sources.

Provided that the conditions under this rule shall not be applicable to the projects submitted by Government Agencies.

**6. Purpose of Grant:—** (1) Grant shall ordinarily be given for specific projects and programmes of action namely, :—

- (a) To undertake research and investigation into consumer problems;
- (b) To undertake testing programmes regarding quality and quantity of various consumer products by setting up testing laboratories;
- (c) To organize training courses, workshops, symposia or the like for the express purpose of training consumer activists to work for consumer protection and guidance by training institutions;

- (d) To organize consumer education and awareness programmes both in urban and rural areas by exhibitions, talks, film shows, demonstrations etc;
- (e) To purchase equipment such as film projectors, documentary films, public address systems, testing kits, library books and magazines for the exclusive use for promotion / advancement of consumer movements in towns and rural areas; and
- (f) For any other scheme or activity which contributes towards consumer protection as may be considered appropriate by Government from time to time.

Provided that the grants received from Government of India, State Government or any other funding agency for specific purposes shall be utilized only for the purpose so specified by the funding agency and not for any other purpose.

(2) Government may institute a suitable scheme for giving awards to organizations, Government servants and consumer activities and other individuals for outstanding and sustained efforts in the promotion of consumer's protection, awareness and guidance.

**7. Management of the Fund :—** (1) The overall management of the fund shall vest in the Managing Committee consisting of the following officers, namely :—

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| (a) Secretary, Department of Food Supplies & Consumer Welfare  | Chairman         |
| (b) Secretary, Department of Finance or his nominee  | Member           |
| (c) Secretary, Department of Panchayati Raj or his nominee   | Member           |
| (d) Secretary, Department of School & Mass Education or his nominee  | Member           |
| (e) Nominee of Department of Consumer Affairs, Government of India.  | Member           |
| (f) Commissioner of Commercial Taxes, Orissa or his nominee  | Member           |
| (g) Additional / Joint Secretary Planning and Co-ordination Department   | Member           |
| (h) Director, Information & Public Relations Department or his nominee   | Member           |
| (i) Financial Advisor-cum-Joint Secretary, Food Supply & Consumer Welfare .Deptt.  | Member           |
| (j) A representative of State Level Consumer Co-operative Organisation having good track record or an expert in consumer movement having active interest and experience regarding working Voluntary Consumer Organisation / Non-.Government Organisations. | Member           |
| (k) Director, Consumer Affairs-cum-Joint Secretary Food Supply & Consumer Welfare .Deptt.  | Member-Secretary |

(2). The Committee shall be a Standing Committee.

**8. Powers and functions of the Managing Committee:—**(1) The Managing Committee shall supervise the maintenance of the fund.

(2) It shall, have the power to invest the fund or any part of it in the approved Government securities or with the nationalized banks.

(3) It shall call for the applications in the forms prevailed by it for grant to the eligible institutions or organizations.

(4) It shall scrutinize the applications received from eligible organizations for the purposes of sanctioning grant.

(5) It shall have authority to call for such documents and information as it may deem necessary for considering the request for grant from the eligible organizations.

(6) It shall have the right to prescribe conditions governing grant and the procedure and manner of submission of accounts by the eligible organizations.

(7) It shall have the power to inspect or get inspected, the accounts of any beneficiary institution with a view to satisfying itself as to whether the grant have been spent prudently and for the purpose for which these were sanctioned.

(8) It shall have the power to sanction grant to eligible organization in the manner and to the extent it deems fit subject to the conditions laid down in rule 6.

(9) It shall have the power to demand the refund of grant from a grantee organization or to declare an organization ineligible for further grant in future, in case of default in compliance with any of the conditions prescribed therefore. However, such organization shall be given a reasonable opportunity of being heard before the demand for refund is made or the organization is considered ineligible for further grant.

(10) It can relax any provision of these rules and can make guidelines for the smooth management and administration of the Fund.

(11) The decision of the Managing Committee taken in respect of sub-rules (4) to (10) shall be final and shall not be open for review by any Consumer Forum.

**9. Meeting of Managing Committee:—** (1) The Managing Committee shall decide the procedure, manner and periodicity of its meeting. The committee shall meet as and when necessary but not more than 3 months shall elapse between any two meetings.

(2) Each meeting of the Committee shall be called by giving notice in writing to every member of not less than ten days from the date of issue of such notice.

(3) Every notice of the meeting of the Committee shall specify the place and the day and hour of the meeting and shall contain statement of business to be transacted thereto.

(4) No proceeding of the committee shall be valid unless it is presided over by Chairman or Vice-Chairman and a minimum of three other members are present.

**10. Upkeep of Fund:—** The Managing Committee shall have full power to take such steps as may be necessary for the proper functioning and upkeep and management of the Fund.

**11. Scheme of awards:—** The Managing Committee shall manage the scheme of awards to worthy institutions, voluntary consumer societies, or Association, other individuals and Government servants doing outstanding consumer protection work subject to the conditions prescribed by Government.

**12. Annual Statement of Accounts:—**(1) The Managing Committee shall prepare a report of its activities and an annual statement of accounts and shall present the same to the first meeting of the State Consumer Protection Council every financial year.

(2) The accounts shall be subject to audit by internal audit of Food Supplies and Consumer Welfare Department.

**13.** Actions taken or orders made, if any, under the Orissa Consumer Welfare Fund Rules, 2005 shall be deemed to have been taken or made under the corresponding provisions of these rules.

**14.** If any question arises relating to the interpretation of these rules, the same shall be referred to the Government for decision.

[ No. 40257/CTA-55/2004/F. ]

By Order of the Governor

P.K. ROUT  
Under-Secretary to Government